

WORKSHARING DISCOUNTS

I. PREFACE

A. Purpose and Content

USPS-FY16-3 reports worksharing discounts, cost avoidances and passthroughs for market dominant products for FY 2016.

B. Predecessor Documents

Docket No. ACR2015, USPS-FY15-3.

Annual Compliance Determination FY 2015 Chapter 2 (March 28, 2016).

C. Methodology

Costs avoided due to worksharing are developed in the input folders and Price List identified in the Input/Output section below. The cost methodologies used are described in the individual input folders. Discounts are developed by taking the differences between the current prices of the workshared pieces and benchmark pieces as shown on USPS Notice 123—Price List, effective August 28, 2016. Passthroughs are calculated for each discount as the ratio of the discount to the avoided cost.

For the Periodicals class, bundle and container prices are presented as a percentage of cost. It should be noted that these calculations are not cost avoidances or worksharing passthroughs.

D. Input/Output

This folder relies on avoided cost estimates due to worksharing developed in folders USPS-FY16-10, USPS-FY16-11, USPS-FY16-12, USPS-FY16-13, USPS-FY16-15, USPS-FY16-18, USPS-FY16-19 and USPS-FY16-21. Discounts rely on prices from USPS Notice 123—Price List, effective August 28, 2016. Specific sources are listed at the bottom of each table in USPS-FY16-3.

II. ORGANIZATION

In addition to this Preface, USPS-FY16-3 includes an Excel workbook entitled FY16.3.Worksharing Discount Tables.xls. This workbook contains eighteen worksheets showing the benchmark pieces, discounts, cost differentials and passthroughs for each type of worksharing offered in FY 2016 for market dominant products. The following worksheets are included:

FCM Single Piece Letters, Cards
FCM Bulk Letters, Cards
FCM Flats
Periodicals Outside County
Per. Bundle-Container Pricing
Periodicals Within County
Within County Worksheet
Standard Mail Letters
Order No. 1793
Standard Mail Flats Prst Prebcd
Std Mail Flats Drpshp Discount
Standard Mail Prcls & Mkt Prcls
Standard Mail Carrier Route
Standard Mail HD-Sat Letters
Standard Mail HD-Sat Flts-Prcls
Media Mail & Library Mail
Bound Printed Matter Flats
Bound Printed Matter Parcels